

Water and Light Advisory Board
February 7, 2008

A meeting of the Water and Light Advisory Board was held February 7, 2008 at 7:00 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting was:

John Conway, Chair
Tom Baumgardner, Vice Chair
Tom O'Connor, Member
Bob Roper, Member
Ernie Gaeth, Member, Excused
John Glascock, Water and Light Interim Director
Jim Windsor, Manager of Rates and Fiscal Planning
Mike Schmitz, Engineering Manager
Tad Johnsen, Power Production Superintendent
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Jay Hasheider, Energy Services Supervisor
Marilyn Thorpe, Administrative Support Supervisor
Stephanie Brown, Administrative Support Assistant II

Dick Parker, Power Supply Task Force
Win Colwill, League of Women Voters

APPROVAL FOR THE DECEMBER 6, 2007 MEETING MINUTES: The December 6, 2007 meeting minutes were approved by voice vote on a motion by Tom O'Connor and second by Bob Roper.

FINANCIAL REPORT:

a) Financial Update – The Board received the monthly financial statements ending December 31, 2007.

Water and Electric Utility combined operations reflect an operating income of \$2,941,072 for the three months ended December 31, 2007; compared to an operating income of \$1,317,149 for the same period last year. This is an increase of \$1,623,923.

The Water Utility has an operating income of \$144,861 for the three months ended December 31, 2007; compared to an operating income of \$540,888 for the same period last year. This is a decrease of \$396,027 in operating income.

The Electric Utility has an operating income of \$2,796,211 for the three months ended December 31, 2007; compared to an operating income of \$776,261 for the same period last year. This is an increase in operating income of \$2,019,950.

Operating revenues of Electric Utility are up \$3,858,378 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$1,348,913. Fuel and Purchased power costs have increased \$1,186,359.

b) Jim Windsor said electric revenue from sales to retail customers, sales from resale, and miscellaneous revenue are up from the previous year. Water revenue from sales is up from the previous year. Water miscellaneous revenue (primarily from connection fees from new developments) and operating revenue are down from the previous year. When the volume of new construction projects increases, miscellaneous revenue will increase.

Mr. Windsor said a rate error occurred that affected the “all electric” customers without the Load Management rate who used over 750 kWh during the period of October to December. It has been corrected with credits to those accounts and a letter of explanation was sent to the customers affected.

Mr. Windsor remarked on the Boone Electric rate increases and said the City’s rates are lower for the average residential customer, however because Boone Electric uses a declining block rate structure and the City uses an inverted block rate structure, the City rates are higher for higher usage.

Mr. Windsor said Water and Light has been participating in energy trades since working with The Energy Authority (TEA) to benefit the utility. Two separate trades in 2007 resulted in a gain of \$276,760 for Water and Light. Short-term contracts for blocks of power have also been initiated. The new Ameren contract has been delayed from January 1, 2008 to June 1, 2008. Using short-term energy contracts and market energy instead of the Ameren contract will show an estimated savings of \$1,000,000 in January.

POWER PLANT REPORT

Tad Johnsen said a permit has been submitted to the State to allow the power plant to burn wood. Up to 10% of the energy produced is allowed from burning wood. Once the permit is approved, it can begin in March. The burning of wood is cheaper per BTU than coal. However, there is an increase in carbon emissions compared to coal.

ENGINEERING

Mike Schmitz said the Hillsdale project is underway. The I-70 crossings are done. The only part remaining is the south tie-in at the pump station.

The draft from Jacobs regarding the long range water study is complete and Mr. Schmitz will have a copy of the draft for the next meeting. He said the average customer is using less water than ten years ago.

WATER DIVISION REPORT

Floyd Turner said old lines are being replaced in several areas of the City. Public Works will repair the streets when the weather permits. He said the inside of Shepard Tower has been painted.

ELECTRIC DISTRIBUTION REPORT

Dan Stokes said there were 15 outages reported in December and 23 in January. The average is 31. He said the average outage time for an individual in December was 4 minutes, 2 seconds and 1 minute, 29 seconds in January.

Mr. Stokes said two retirements in March will have a high impact on Electric Distribution. One soon-to-be-retiree is the only person that works on large transmission lines. The other is the Electric Meter Repair Supervisor.

UTILITY SERVICES DIVISION REPORT

John Glascock said Water and Light is applying for a Demonstration of Energy-Efficient Developments (DEED) grant from American Public Power Association (APPA) for an additional 5 KW system to go along with the Dow Chemical solar array and is also asking for funding for marketing of the Solar One Business Model. The deadline for this is next week.

Mr. Glascock said 14 contractors for the Home Performance with Energy Star program have completed their training. Advertisement of the program has begun with promotions on TV. There were 65 hits to the website the first week. The program will also be promoted during Water and Light's participation in the Home Show at the end of February.

NEW BUSINESS

Mr. Glascock said Bill Watkins would like Water and Light to start discussing CIP Projects. The projects to be considered are substation metering, updating the switches and the water bond issue on the August 2008 Election Ballot.

Mr. Glascock said Water and Light is required by the City's Renewable Energy ordinance of 2004 to prepare and release an annual Renewable Energy Report before February 1 of each year. The draft has been released for review to the Advisory Board and the Environment and Energy Commission. The Board, on a motion by Mr. O'Connor and seconded by Mr. Roper, moved to recommend to Council endorsement of the Renewable Energy Report as presented.

The City will receive energy from the King City wind farm and two biogas projects in Columbia and Jefferson City during 2008. These three projects will complete the 2013 goal of 5% of the energy produced from renewable sources by the end of 2008. The Columbia Biogas Plant will go on line this spring. The Jefferson City Plant is scheduled for early fall of 2008. Water and Light is pursuing a Power Purchase Agreement with Quaker Oats to purchase electricity generated from a 5 KW system which will be placed on Quaker's roof in conjunction with the Solar One business model. It is behind schedule due to deliberations with Quaker's lawyers.

OLD BUSINESS

Mr. Glascock said since several Power Supply Task Force members cannot make it to a meeting regarding the Integrated Resource Plan (IRP), he would like to have the meeting in March when all members can be present. The IRP draft is ready and will be presented and discussed at the Power Supply Task Force meeting. After that a public hearing will be held, the final report prepared and reviewed. Once approved by the task force, an endorsement to accept the report will be sent to the City Council.

OTHER

Because this is the first meeting of 2008, officers were elected for the year. Mr. Roper motioned for John Conway to remain in the position of Chairman and Tom Baumgardner to remain as Vice Chairman. Mr. O'Connor made a second motion. The motion was approved by voice vote.

Win Colwill said she attended the ceremony for the new solar panels at the Columbia Career Center. She would have liked to see more coverage by the media on it. Ms. Colwill announced that there is a public forum on the Climate Protection agreement on Wednesday, February 13, 2008 at 7:00 p.m. in the Friends Room at the Public Library.

Next meeting date: March 6, 2008

The meeting adjourned at 8:05 a.m.

Respectfully Submitted,